Hancock Central School
67 Education Lane
Hancock, New York 13783
Terrance P. Dougherty, Superintendent of Schools
tdougherty@hancock.stier.org
(607) 637-1301

Senator Frederick Akshar
44 Hawley Street
Binghamton, NY 13901

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Dear Senator Akshar:

Thank you for recently committing to tour the Hancock Central School District on Friday, January 22. We look forward to seeing you. In advance of your visit, I wanted to share with you three brief summaries of what we perceive to be the most pressing issues presently facing small, rural school districts in Upstate New York:

Equitable and Adequate State Aid Allocation and Distribution

In the years since the Wall Street crash of 2008, the state has withheld promised funding from districts in order to address its own fiscal challenges. The Foundation Aid formula, designed to provide every student with a sound basic education, was frozen for three years, followed by formula-driven increases being artificially capped in more recent state budgets. As a result, the state is $4.4 billion behind the full phase-in of the formula. The withholding of aid through the Gap Elimination Adjustment (GEA) was intended as a temporary measure to help close state budget deficits. It's been in place for five years now, even as the state runs a surplus. The GEA balance owed to schools statewide today stands at $434 million. Nearly a third of New York's school districts are receiving less aid this year than they did in 2009-10.

This year, thanks to the efforts of legislators to make education funding a priority, many districts were finally able to restore some teaching positions. A sufficient school funding increase is needed in 2016-17, and a commitment to equitable, adequate and stable state aid into the future is required to make sure this progress continues and is not undone.

To this end, we advocate for the following actions:

- Provide sufficient state aid to allow schools to continue current programming in 2016-17 and beyond.
- End the Gap Elimination Adjustment and provide a significant increase in Foundation Aid.
- Commit to sustainable, fair and equitably distributed Foundation Aid for the long-term.
- Fully fund expense-based reimbursements.

Property Tax Cap Modifications

New York State is committed to placing some form of a limit on local taxes, but the current property tax law has some significant shortcomings that create uncertainty for school districts and communities.

For one, it's not a 2 percent cap as it was advertised. The eight-part tax cap formula allows levies to grow by either 2 percent or the change in the Consumer Price Index – whichever is less – and then adjusts for a variety of other factors. For the coming year, the CPI figure will be considerably less than the 2 percent: it had increased only two-hundredths of one percent through October. As a result, many districts are anticipating the prospect of being unable to raise any local revenue to help meet increased costs. Unless action is taken, this will do serious harm to student programs and services in districts across New York.

The stated intention of the cap was not to impose defacto local tax freezes. To address this flaw in the cap, a clear and sensible solution is to remove the volatility of CPI from the tax cap formula and make the allowable levy growth factor in the formula a consistent 2 percent. Consider:

- It's what many voters believe they were promised.
- The prior year's CPI is a flawed measure on which to base future plans. School leaders need to build budgets that serve the students who will be in our classrooms next year.
- This shows that the limitations of the cap in any given year can stall, or reverse, progress that is being made in the effort to prepare students for the future.
- The tax cap is uniquely restrictive for schools, which – unlike towns and counties – must hold public budget votes and gain a 60 percent supermajority to exceed the limit. Further, it's ultimately our school children who will pay the price if districts, once again, are forced to cut programs and services.

School superintendents support property tax relief, but not at the expense of New York's students. We need state policies that allow for responsible fiscal planning and the sustainability of programs that are critical to our students and communities. Simple, sensible modifications to the tax cap would help balance the concerns of taxpayers and the needs of school children.

Timely Review and Approval of Capital Projects

SED staffing reductions have particularly affected the Facilities Planning Unit, resulting in a serious backlog of state approval for capital projects that local voters have already supported.

As of Dec. 9, there were 950 projects in upwards of 300 school systems in the state awaiting approval, according to the website of the Facilities Planning Unit. In the past, school districts could expect SED approval within 6 to 8 weeks. Today, districts are waiting an average of 42 to 44 weeks for projects to be approved so that work can begin.

Long delays between capital project planning and submission and state approval negatively impacts students, taxpayers, the workforce and the economy because:

- School districts have diminished ability to bid projects in a favorable climate and control construction timelines. Furthermore, delays also drive up taxpayer costs, as prices for materials and labor typically increase over time.
- As work is delayed – or deferred because it no longer fits within a project budget – students and residents do not see the benefits of voter-approved health, safety and educational facility improvements.
- The local economy suffers: State approval stands in the way of schools awarding contracts so that carpenters, roofers, masons, electricians, plumbers and other building trade professionals can find work and pump money into the economy of the region and the state.

Recent steps taken by lawmakers and SED may help address some of the current backlog of project reviews. However, as the economy recovers, it is likely that more districts will look to make capital improvements that they put off during the downturn, leading to the serious concerns that the current 40-plus week review period could grow longer still. For the sake of students, taxpayers and the economy, a long-term solution for this issue must be a state priority.

Thank you once again for your attention to these matters and for your ongoing commitment to supporting rural school districts in Upstate New York.

Sincerely,

Terrance P. Dougherty
Superintendent
Hancock Central School District